

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6754

BILL NUMBER: SB 245

DATE PREPARED: Dec 14, 2001

BILL AMENDED:

SUBJECT: Licensing of occupational therapists and psychologists.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill adds licensed psychologists to the health care professionals regulated under the home health agency statutes. This bill also establishes a licensure program for occupational therapists and grants occupational therapist licensure to previously certified occupational therapists.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *Licensed psychologists under home health agency law:* The State Department of Health may see an increase in administrative expenditures if more psychologists apply for licensing of a home health agency. As of June 30, 2001, the Health Professions Bureau reports 1,643 licensed psychologists and 61 licensed psychology corporations in existence. Under current law, the Department already administrates the home health agency license fees for the following health professions: physicians, dentists, chiropractors, podiatrists, optometrists, nurses, physical therapists, speech language pathologists/audiologists, speech language pathologist or audiologist aides, occupational therapists, and occupational therapist assistants.

Occupational Therapy Licensing: The Health Professions Bureau reports that as of June 30, 2001, 2,211 occupational therapists and 646 occupational therapy assistants hold a license to practice and would be affected by the bill. Under the bill, the Bureau would not have to issue replacement pocket cards or wall licenses to occupational therapists certified on June 30, 2002, when converted to licensure on July 1, 2002. The estimated expenditures to implement the requirements of the bill are listed in the following table:

Expense	Amount
Per Diem	\$750
Travel	\$1,914
Postage	\$5,259
Printing/Copying	\$5,188
Telephone	\$3,200
Supplies	\$1,000
Total	\$17,311

Explanation of State Revenues: *Licensed psychologists under home health agency law:* Under the bill, revenues may increase if licensed psychologists apply for licensing as a home health agency. Currently, the fee is \$100 collected annually. In FY 2001, the State Department of Health collected \$33,200 in home health agency license fees from approximately 332 home health agencies. These fees are deposited into the state General Fund.

Under current law, violations of the home health agency statute could result in the State Health Commissioner imposing a civil penalty not greater than \$10,000.

Additionally, there are several criminal penalties for violation of the home health agency statute. Current law provides for a Class A misdemeanor and a Class A infraction depending on the violation:

Class A misdemeanor: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Class A infraction: If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Occupational Therapy Licensing: Revenues collected from fees may be affected by an insignificant amount with the transfer of certification to licensure regarding occupational therapists. In FY 2001, the Health Professions Bureau collected \$67,100 in fees relating to occupational therapy. All fees collected concerning occupational therapy are distributed into the state General Fund.

Explanation of Local Expenditures: *Class A misdemeanor for violation of home health agency statute:* A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Class A misdemeanor for violation of home health agency statute:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

Class A infraction for violation of home health agency statute: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: State Department of Health; Health Professions Bureau; Occupational Therapy Committee; Medical Licensing Board.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Barb McNutt, Staff Counsel, Health Professions Bureau, (317) 233-4406; Office of the Auditor of State.